

FORM MR-RC
Revised January 7, 1999
RECLAMATION CONTRACT

File Number M/049/031
Effective Date April 6, 1999

Other Agency File Number ML 47496MP

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING

1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

*replaced 10/29/03
by Staker & Parson.
Valley Asphalt
released.*

RECLAMATION CONTRACT

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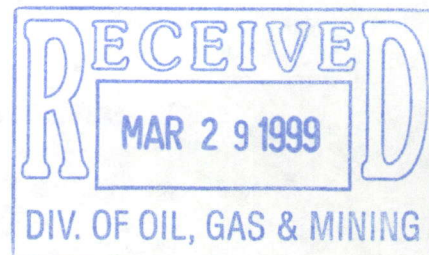
For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

“NOTICE OF INTENTION” (NOI): (File No.) M/049/031
(Mineral Mined) Lime Stone

“MINE LOCATION”:
(Name of Mine) Valley Asphalt Lehi Quarry
(Description) 2 Miles West of the intersection of
SR-73 (Lehi Main Street) and Redwood
Road

“DISTURBED AREA”:
(Disturbed Acres) 121.6 Acres
(Legal Discription) (refer to Attachment “A”)

“OPERATOR”
(Company or Name) Valley Asphalt, Inc.
(Address) 1172 South Del Monte Road
P.O. Box 220
Spanish Fork, UT 84660
(Phone) (801) 798-7486



“OPERATOR’S REGISTERED AGENT”:

(Name)

Brent R. Sumsion

(Address)

1172 South Del Monte Road

P.O. Box 220

Spanish Fork, UT 84660

(Phone)

(801) 798-7486

“OPERATOR’S OFFICER(S)”:

Brent R. Sumsion, President

Scott J. Sumsion, Vice President

Michael Stone, Secretary

“SURETY”:

(Form of Surety - Attachment B)

Surety Bond # ~~XXXXXX~~

“SURETY COMPANY”

(Name, Policy, or Acct. No.)

American Home Assurance Co.

“SURETY AMOUNT”

(Escalated Dollars)

\$387,900.00

“ESCALATION YEAR”:

2003

“STATE”:

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A “DISTURBED AREA”:

B “SURETY”:

This Reclamation Contract (hereinafter referred to as “Contract”) is entered into between Valley Asphalt, Inc. the “Operator” and the Utah State Division of Oil, Gas and Mining (“Division”).

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/031 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as “Act”) and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator’s approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated October 28, 1997, and the original Reclamation Plan dated October 28, 1997. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel to the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The

Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of the Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this contract on behalf of the named party.

OPERATOR:

Valley Asphalt, Inc.
Operator Name

By Brent R. Sumsion
Authorized Officer (Typed or Printed)

President
Authorized Officer - Position

[Signature]
Officer's Signature

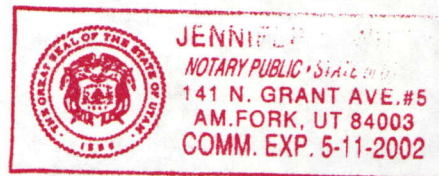
January 15, 1999
Date

STATE OF Utah)
COUNTY OF Utah)ss:

On the 23rd day of March, 19 99, personally
appeared before me Brent R. Sumsion who being by me
duly sworn did say that he/she, the said Officer is the
President of Valley Asphalt, Inc. and duly
acknowledged that said instrument was signed on behalf of said company by authority of
its bylaws or a resolution of its board of directors and said President
duly acknowledged to me that said company executed the same.

Jennifer A. White
Notary Public
Residing at: 141 N. Grant Ave #5
Am. Fork, UT 84003

5-11-2002
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton
Lowell P. Braxton, Director

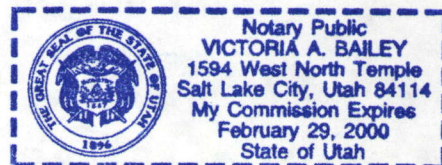
4/6/99
Date

STATE OF UTAH)
)ss:
COUNTY OF SALT LAKE)

On the 6th day of APRIL, 1999, personally
appeared before me LOWELL P. BRAXTON who being by me
duly sworn did say that he/she, the said Lowell P. BRAXTON is the
DIRECTOR of the Division of Oil, Gas & Mining and duly
acknowledged that said instrument was signed on behalf of said company by authority of
its bylaws or a resolution of its board of directors and said DIRECTOR
duly acknowledged to me that said company executed the same.

Victoria A. Bailey
Notary Public
Residing at: SALT LAKE CITY, Utah

February 29, 2000
My Commission Expires:



ATTACHMENT "A"

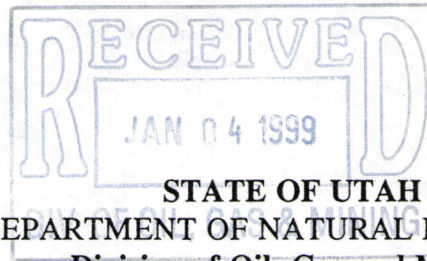
<u>Valley Asphalt, Inc.</u>	<u>Valley Asphalt Lehi Quarry</u>
Operator	Mine Name
<u>M/049/031</u>	<u>Utah</u> County, Utah
Permit Number	

Northwest quarter of Section 16, Township 5 South, Range 1 West
Utah County, Utah

ATTACHMENT B

MR FORM 5

October 20, 1998



Bond Number _____
Permit Number M/049/031
Mine Name Lehi Quarry

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

*Surety replaced
10/29/03 by
Staker & Parsons -
Valley Asphalt Released.*

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Valley Ashpalt, Inc., as Principal,
and American Home Assurance Company, as Surety, hereby jointly and
severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly
and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal
sum of Three Hundred Eighty Seven Thousand, Nine dollars (\$ 387,900.00-----).
Hundred and No/100-----

Principal has estimated in the Mining and Reclamation Plan approved by the Division
on the 6th day of April, 19 99, that 121.6 acres of land will
be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in
the area disturbed or the extent of disturbance, then, the Division may require that the amount
of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Valley Asphalt, Inc.

Principal (Permittee)

Brent R. Summison

By (Name typed):

President

Title

[Signature]
Signature

12/2/98

Date

Surety Company

American Home Assurance Company

Company Officer
Richard S. Beck
Attorney-in-Fact

Title/Position

[Signature]
Signature

70 Pine Street

Surety Company Address

New York, NY 10270

City, State, Zip

12/2/98

Date

COUNTERSIGNED: Kaylene Stonestreet Utah Resident Agent

Page 3
MR-5 (revised October 20, 1998)
Attachment B

Bond Number
Permit Number M/049/031
Mine Name Lehi Quarry

SO AGREED this 6th day of April, 1999.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

Lowell P. Braxton

Lowell P. Braxton, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 2nd day of December, 1998, personally appeared before me Catherine M. Gearing who being by me duly sworn did say that he/she, the said Richard S. Beck is the Attorney-in-Fact of American Home Assurance Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Richard S. Beck duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: *Richard S. Beck*
Surety Officer

Title: Attorney-in-Fact

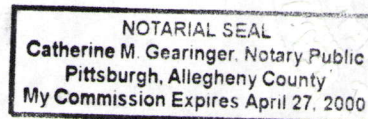
STATE OF Pennsylvania)
) ss:
COUNTY OF Allegheny)

Subscribed and sworn to before me this 2nd day of December, 1998.

Catherine M. Gearing
Notary Public
Residing at: Pittsburgh, PA

My Commission Expires:

April 27, ~~19~~ 2000



No. 01-B-04916

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint


---Richard S. Beck, William W. Beck, Robert J. Cawley, Jeffrey A. Frank, Paul B. Miller: of Pittsburgh, Pennsylvania---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents

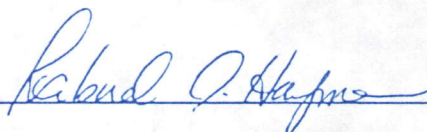
this 28th day of May, 1998.




Lawrence W. Carlstrom, Senior Vice President
National Union Fire Insurance Company of Pittsburgh, Pa.
Vice President American Home Assurance Company

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On this 28th day of May, 1998, before me came the above-named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.


DEBORAH A. HAYMAN
Notary Public, State of New York
No. 01HA5081428
Qualified in Suffolk County
Commission Expires June 30, 1999

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

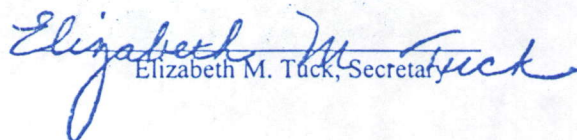
"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa., do hereby certify that the foregoing excerpts of Resolution adopted by the Board of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Power of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the corporation

this 2nd day of December, 1998.




Elizabeth M. Tuck, Secretary